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C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 004089

SIPDIS

E.O. 12958: DECL: 06/01/2015

TAGS: PREL PTER ENRG CE IN PK INDO PAK

SUBJECT: PM OPTIMISTIC ON INDO-PAK BUT COUNSELS AGAINST

DEADLINES

REF: A. NEW DELHI 3745

¶B. NEW DELHI 3213 ¶C. NEW DELHI 1480

Classified By: Acting DCM Geoff Pyatt, Jr. for Reasons 1.4 (B, D)

11. (U) Summary: Speaking to foreign journalists on May 30 regarding the UPA government's one year anniversary, PM Manmohan Singh offered an upbeat assessment of Indo-Pak relations, but warned that a major terrorist attack could still derail the peace process. He also advised against artificial deadlines for any settlement. Focusing on the positive effects of CBMs with Pakistan, the PM said New Delhi would consider greater autonomy for J&K "if needed." The PM expressed his desire for a peaceful resolution to the conflict in Sri Lanka and denied opposition claims that Congress Party leader Sonia Gandhi was interfering with government operations. End Summary.

 ${\tt PM}$ Upbeat on Indo-Pak, Seeks More CT Action by Islamabad

- 12. (U) In his May 30 foreign correspondents briefing, the PM announced that he looked forward to a future visit to Pakistan, proclaiming that "I do believe we have moved forward." Consistent with previous statements, Singh said that he was willing to discuss all issues with the GOP and work to find a "meaningful solution" with two limitations: "no further division of India on religious lines," and no redrawing borders.
- 13. (U) Singh highlighted confidence-building measures such as joint water resources management in Kashmir and efforts to resolve the Baglihar Dam dispute (Ref B) and other cross border water issues (Ref C) and was optimistic that increased economic and people-to-people interaction would further improve India-Pakistan relations. He stressed the importance of a secure Pakistan as India's bridge to Central Asia, but he did not mention Iran or any other Central Asian countries by name in this context. Singh did offer that all parties involved in the proposed Iran-Pakistan-India gas pipeline could work together to make the project a reality, and noted the US-India dialogue on the issue.
- ¶4. (U) Responding to Pakistan President Musharraf's prior public remarks that peace could be concluded by the end of both leaders' tenures, Singh said that fixing a timeline would be "unrealistic." He did indicate that India would consider greater autonomy for Jammu and Kashmir "if needed."
- 15. (U) The overall tone of Singh's remarks was optimistic, although he cautioned that a major terrorist attack, comparable to those on Parliament and the Kashmir State Assembly in late 2001, could erase the gains made in Indo-Pak rapprochement. Singh reiterated that the "first condition" for normalization was "control of terrorist acts," cautioning that although progress has been made, Pakistan has not done enough to dismantle its terrorist infrastructure.

Media Spin More Negative Than PM's Remarks

16. (C) Some journalists chose to emphasize these cautionary statements as the main focus of the PM's remarks, concluding that the PM is less hopeful about relations with Pakistan than commonly thought. However, Dawn's New Delhi correspondent Jawed Naqvi, who attended the press conference, insisted to Poloff that those journalists took the terrorism remarks out of context and that the PM was indeed optimistic. Naqvi reported that Singh emphasized the need to keep moving forward on issues like water and energy cooperation with Pakistan.

Other Issues Addressed

17. (U) The PM paid less attention to other outstanding issues. For example, in response to a question on dangers from LTTE naval and air bases in Sri Lanka, Singh said that India has a "very vital stake" in Sri Lankan unity and peaceful resolution of the ethnic conflict. Singh also denied opposition allegations that Sonia Gandhi was "interfering" with the workings of the government.

18. (C) Reporters who attended the conference were initially told it would be "informal" and "off the record" and were not prepared to file reports. Caught unawares, they rushed to get their stories filed, resulting in confusion and contradiction. In our estimation, Singh's remarks were consistent with recent MEA optimism on Indo-Pak relations, and reflect the PM's continued personal commitment to peace with Pakistan (Ref A). The PM is ready to work with GOP and is confident that CBMs and increased economic interaction will contribute to better relations. Although some news outlets chose to over-emphasize the few comments about the potential of a terrorist attack to derail the peace process, these were taken out of context. That being said, it is notable that the PM chose to counsel publicly against deadlines for the Indo-Pak process.

BLAKE